

**Children's Commissioning Committee**  
**10<sup>th</sup> November 2021**  
**4. Finance Report**

Item for: ~~Decision~~/Assurance/~~Information~~ (Please delete as appropriate)

<b>Report of:</b>	Chief Finance Officer	
<b>Date of Paper:</b>	1 <sup>st</sup> November 2021	
<b>In case of query, please contact:</b>	David Warhurst, Interim Chief Finance Officer	
<b>Strategic Priorities:</b> (Please tick as appropriate)	Quality, Safety, Innovation and Research	
	Adult Services	✓
	Children's and Maternity Services	
	All Age Mental Health	✓
	Primary Care	
	Enabling Transformation	✓
<b>Mayoral Priorities:</b> (Please tick as appropriate)	Tackling poverty and inequality	
	Reducing Health Inequalities	
	Skills and Education (A Learning City)	
	Affordable Housing	
	Transport and Digital Connectivity	
	Tackling the Climate Change Emergency	
	Vibrant Place and Spaces	
Creating an Economy for All		
<b>Purpose of Paper:</b>	<p>This paper provides the Children's Commissioning Committee with an update relating to the YTD financial performance and forecast and associated risks to the financial plan of the Children's Integrated Fund for 2021/22.</p>	

## Further information

How will this benefit the health and wellbeing of Salford residents, or the CCG or City Council?	Ensuring public funding is spent appropriately. Achieving Value for Money, ensuring that funding is available to protect core services.
How does this paper address health inequalities and promote inclusion?	Financial and performance pressures associated with the children's integrated fund services. Through management of committed developments and holding providers to account for performance.
What risks may arise as a result of this paper and how will they be mitigated?	
Does this address any existing high risks facing the organisation and how does it reduce them?	
Are there any possible conflicts of interest associated with this paper?	N/A
Will any current services or roles be affected by issues within this paper and what are they?	N/A

Note: Where appropriate, please ensure detail is provided.

## Document Development

Has there been Public Engagement?	N/A
Has there been Clinical Engagement?	N/A
Has the impact on Salford socially, economically and environmentally been considered?	N/A
Has there been an analysis of any impacts on equality?	N/A
Has legal advice been obtained?	N/A
Has this been to any groups or committees for engagement, comments, or approval?	Elements have been reviewed by the Service and Finance Group

**Note:** Where relevant, please provide detail and ensure that it is clear how and when particular stakeholders were involved in this work, that there is clarity of what the key message/decision was, and whether amendments were requested about any part of the work.

## Finance Report

### 1. Executive Summary

This finance report provides the Children's Commissioning Committee (CCC) with an in-year update in relation to the financial performance of the children's element of the Integrated Fund at September 2021.

At September 2021, the children's element of the Integrated Fund (IF) is forecast to be overspent by £4.2m. This reflects an improvement of £0.6m from the last reported position.

However, at £4.2m, the fund has worsened by £1.3m more than the opening planned deficit of £2.9m.

**Section 2** - Highlights the main areas of over and under performance within the Fund against the approved IF plan for 2021/22.

**Section 3** – Provides an update on the investment decisions that form part of the Children's plan for 2021/22.

**Section 4** – Highlights the effect of H2 CCG allocation on the fund.

CCC is asked to note the financial position along with the requirement to deliver on the savings programme for the Children's Integrated Fund in 2021/22.

### 2. 2021/22 Monitoring

- 2.1 This latest finance report provides the Children's Commissioning Committee (CCC) with the in-year position of the Children's element of the Integrated Fund for the financial year (2021/22). The appendices contain a lot of detail and are appended to give members a more thorough understanding of the scope of the Children's Integrated Fund. There are explanatory notes included in the appendices which hopefully explain the key messages contained within them.
- 2.2 This finance report is based on September 2021 CCG and local authority information available at the time of writing the report. A detailed analysis of the key children's services within the Children's Integrated Fund is shown in Appendices One and Two. The Service and Finance Group (SFG) has scrutinised the position and agreed to the key messages.
- 2.3 The children's services are forecasting to be overspent by £4.2m, this represents an improvement of £0.6m from the last reported position, as shown in Table 1 below.

Table 1: 2021/22 Financial Summary

	2021/22 Monitoring						Previous Reported Variance to CCC	Movement in Variance	Notes
	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Forecast	Annual variance			
	£000s	£000s	£000s	£000s	£000s	£000s			
<b>TOTAL FUNDING</b>	<b>£63,864</b>	<b>£63,864</b>	<b>-</b>	<b>£127,729</b>	<b>£127,729</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Safeguarding	£180	£214	£34	£360	£413	£53	£45	£8	
Looked After Children	£13,761	£15,018	£1,257	£27,522	£29,345	£1,823	£2,414	(£590) Appendix 1	
Localities	£4,670	£4,613	(£57)	£9,340	£9,216	(£124)	£3	(£127) Appendix 2	
Complex Needs SEN	£2,876	£3,109	£233	£5,752	£6,185	£434	£347	£87	
Partnerships	£2,045	£2,083	£38	£4,090	£4,164	£74	£172	(£98)	
Asset Management & Delivery	£526	£496	(£30)	£1,052	£992	(£60)	(£61)	£1	
Transforming Learning	£1,135	£1,126	(£9)	£2,271	£2,243	(£28)	(£18)	(£10)	
Early Years (Early Intervention/Starting Life Well)	-	-	-	-	-	-	-	-	
Skills & Work / Careers	£730	£730	-	£1,460	£1,460	-	-	-	
Helping Families	£642	£642	-	£1,284	£1,284	-	-	-	
Resources & Investment	£3,347	£3,323	(£25)	£6,694	£6,649	(£45)	(£20)	(£25)	
Children's Administration	£718	£727	£9	£1,436	£1,454	£18	(£6)	£24	
Specific Grants	£8,906	£8,906	-	£17,812	£17,812	-	-	-	
BOND	£1,310	£1,285	(£25)	£2,619	£2,569	(£50)	-	(£50)	
PH Looked After Children (next steps post)	£11	£11	-	£21	£21	-	-	-	
PH 0-19 Services	£2,635	£2,635	-	£5,270	£5,270	-	-	-	
Home Safety	£15	£15	-	£30	£30	-	-	-	
Early Years	£594	£594	-	£1,188	£1,188	-	-	-	
Youth Service	£175	£175	-	£350	£350	-	-	-	
Placements/Non Contracted Activity	£478	£481	£3	£955	£961	£6	(£75)	£81	
Community Services	£5,021	£5,044	£23	£9,742	£9,765	£23	-	£23	
Acute Services	£14,317	£14,317	-	£28,635	£28,635	-	-	-	
<b>TOTAL - Integrated Fund</b>	<b>£64,092</b>	<b>£65,543</b>	<b>£1,451</b>	<b>£127,883</b>	<b>£130,007</b>	<b>£2,124</b>	<b>£2,801</b>	<b>(£676)</b>	
<b>TOTAL - Aligned</b>	<b>£649</b>	<b>£649</b>	<b>-</b>	<b>£1,299</b>	<b>£1,299</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL - Committed Developments</b>	<b>£739</b>	<b>£307</b>	<b>(£432)</b>	<b>£1,479</b>	<b>£614</b>	<b>(£864)</b>	<b>(£902)</b>	<b>£38</b>	
<b>TOTAL EXPENDITURE</b>	<b>£65,480</b>	<b>£66,499</b>	<b>£1,019</b>	<b>£130,660</b>	<b>£131,921</b>	<b>£1,260</b>	<b>£1,898</b>	<b>(£638)</b>	
<b>Over/(Under) Spend</b>	<b>£1,616</b>	<b>£2,635</b>	<b>£1,019</b>	<b>£2,931</b>	<b>£4,192</b>	<b>£1,260</b>	<b>£1,898</b>	<b>(£638)</b>	
	Description		£'000's	%					
	CCG Element of Overspend/(Underspend)		£1,341	32%					
	Council Element of Overspend/(Underspend)		£2,850	68%					
	Grand Total		£4,192	100%					

2.3.1 Looked After Children (LAC) - This is the main area of overspend and remains the biggest risk for the fund. However, there has been an improvement from the previously reported position of £0.6m. This is driven by a reduction in outside placements (5) in September which has been reflected in the expenditure projections to the end of the financial year. Work remains on-going, but this is a challenging area that has, like most services been significantly impacted by COVID.

2.3.3 An additional £0.3m of children's mental health spend has been identified through a business case on utilising the current mental health investment standard (MHIS) underspend for the CCG to meet the required spend levels.

Funding for the above has been transferred on a non-recurrent basis from Adults where the underlying underspend originates.

### 3. Strategy and Investment

- 3.1 An amount of £1.5m was set to be invested in 2021/22 within Children's services on new or enhanced services across several areas. The remainder of this funding is shown in table 2 below.

**Table 2: Children's Investment Fund Summary 2021/22**

Description	2021/22 Monitoring		
	Annual Budget	Forecast	Annual variance
	£000s	£000s	£000s
Contingency - Pay Award	£233	£233	-
Ingleside	£400	£200	(£200)
Gaddum Project	-	-	-
SEND Review	£60	-	(£60)
Perinatal BC	£122	£38	(£84)
Kooth Support	£10	-	(£10)
0-25 neuro development pathway	£87	£69	(£19)
Young carers' working group	£25	£25	-
Supporting parents	£15	-	(£15)
Access to paediatric acute services	£100	-	(£100)
Review Community paediatric services	£50	£50	-
Paediatric avoidable admissions care bundle	£50	-	(£50)
Contingency - Overspends	£327	-	(£327)
Unidentified Savings Target	-	-	-
<b>Total Committed Developments</b>	<b>£1,479</b>	<b>£614</b>	<b>(£864)</b>

- 3.2 There are still several smaller initiatives that are expected to slip against the planned investments. This slippage has been utilised to offset the overall pressure of the children's fund in 2021/22.
- 3.3 Gaddum funding has now been transferred into expenditure lines where required. This will deliver increased service capacity within the current contract.
- 3.4 Perinatal BC was previously expected to fully under spend in year however there is an element that will materialise this year and as a result reduced the slippage to offset the pressure in the fund.

### 4. Half year 2 (H2) Planning 2021/22

- 4.1 The Greater Manchester (GM) health system has now been provided with its H2 allocation, a significant amount of which is allocated at a GM level and therefore needs to go through governance and negotiation to agree the allocation methodology.
- 4.2 The allocation methodology as well as the National submission is expected to be completed mid-November.
- 4.3 Based on the current assumptions and the available funding, the requirement to achieve financial balance within Children's remains a savings target in year of £2.9m recurrently to be achieved. Overall, the integrated fund still needs to achieve a saving of £6.1m to balance budgets alone.

## 5. Risks

- 5.1 Reduction in H2 funding that results in the CCG needing to reduce its contribution to the fund and therefore the financial pressure increasing. The risk is seen as low based on the first draft of H2 budgets.
- 5.2 Recurrent underlying financial pressure on the fund and the impact that could have on the localities ability to deliver its strategic objectives.
- 5.3 Increased financial pressures because of winter or a significant rise in the cases of COVID.

## 6. Recommendations

- 5.1 The Children's Commissioning Committee (CCC) is asked to:
  - Note the financial position for 2021/22
  - Note the savings programme for 2021/22 to deliver a balanced plan
  - Note the risks outlined in section 5 above.

**David Warhurst**  
**Interim Chief Financial Officer, Salford CCG**

## Appendix 1: Looked After Children (LAC)

Description	2021/22 Monitoring						Previous Reported Variance to CCC	Movement in Variance
	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Forecast	Annual variance		
	£000s	£000s	£000s	£000s	£000s	£000s		
Looked After Children Team	£813	£937	£125	£1,626	£1,886	£261	£235	£26
Family Placement	£442	£438	(£4)	£885	£873	(£11)	(£13)	£2
Independent Foster Agency	£1,199	£1,188	(£12)	£2,398	£2,314	(£84)	£28	(£112)
Outside Placements	£3,422	£4,469	£1,047	£6,843	£8,245	£1,402	£2,043	(£641)
Adoption	£328	£336	£8	£657	£659	£2	£16	(£13)
Fostering	£4,506	£4,538	£33	£9,012	£9,086	£74	£19	£55
Next Steps - Care Leavers	£1,163	£1,193	£30	£2,326	£2,391	£65	£55	£11
Residential	£1,888	£1,918	£30	£3,776	£3,891	£114	£32	£82
<b>Total Looked After Children</b>	<b>£13,761</b>	<b>£15,018</b>	<b>£1,257</b>	<b>£27,522</b>	<b>£29,345</b>	<b>£1,823</b>	<b>£2,414</b>	<b>(£590)</b>

## Appendix 2: Localities

Description	2021/22 Monitoring						Previous Reported Variance to CCC	Movement in Variance
	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Forecast	Annual variance		
	£000s	£000s	£000s	£000s	£000s	£000s		
Protect Team (Complex Safeguarding Hub)	£160	£163	£4	£319	£279	(£40)	£23	(£63)
Outreach Service	£444	£437	(£7)	£888	£883	(£6)	(£11)	£5
Multi Agency Safeguarding Hub (The Bridge)	£282	£294	£12	£565	£589	£24	(£9)	£33
Referral Initial Assessment team	£848	£842	(£6)	£1,696	£1,709	£12	£63	(£51)
Child Protection & Planning	£1,763	£1,735	(£28)	£3,527	£3,466	(£60)	(£100)	£40
Emergency Duty Team	£192	£190	(£2)	£383	£374	(£9)	(£6)	(£4)
Other Child Protection	(£65)	(£70)	(£5)	(£130)	(£139)	(£9)	(£9)	(£0)
Children with Disability	£561	£555	(£6)	£1,122	£1,119	(£3)	(£22)	£20
Locality Team North	£61	£41	(£20)	£122	£81	(£41)	(£30)	(£11)
Locality Team South	£89	£97	£8	£179	£200	£21	£13	£8
Locality Team West	£97	£74	(£22)	£193	£138	(£55)	(£29)	(£26)
Locality Team Central	£105	£87	(£18)	£210	£176	(£33)	(£34)	£1
Locality Team General	£85	£80	(£5)	£170	£168	(£1)	£89	(£90)
Parenting Team	£49	£87	£39	£97	£173	£76	£65	£10
<b>Total Localities</b>	<b>£4,670</b>	<b>£4,613</b>	<b>(£57)</b>	<b>£9,340</b>	<b>£9,216</b>	<b>(£124)</b>	<b>£3</b>	<b>(£127)</b>